



G. Trenholm Walker
Thomas P. Gressette, Jr.
Ian W. Freeman
John P. Linton, Jr.
Charles P. Summerall, IV
Jennifer S. Ivey
Vincent Joseph-Lee Grosso

THOMAS P. GRESSETTE, JR.
Direct: 843.727.2249
Email: Gressette@WGFLAW.com

July 26, 2021

Via Electronic Mail / DMS Filing

The Honorable Jocelyn Boyd
Chief Clerk and Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210-8411

RE: *In Re: Application of Daufuskie Island Utility Company, Inc. for Approval of an Increase for Water and Sewer Rates, Terms and Conditions*, Docket No. 2014-346-WS

Dear Ms. Boyd:

On March 30, 2021, the Commission entered its Order Approving Settlement and Further Procedure (“Order Approving Settlement” or “Order 2021-132”). As explained by the Order:

DIUC asserts the temporary rates permitted by Order No. 2015-846’s rate increase of 43%, which was mitigated but not corrected by Order No. 2018-68’s further changes permitting a rate increase of 88.5%, were confiscatory.

DIUC seeks reparations to recoup through a surcharge its shortfall in revenues and return with interest accumulating until the surcharge becomes effective, back to its January 2018 billing for service provided for the last quarter of 2017, until its first billing following a final decision on the recoupment issue.

DIUC also seeks reparations to recoup through a surcharge the credit/refund made in its January 2018 billing for the difference between the 88.5% increase and the 108.9% increase that had been in effect during the first appeal with interest accumulating until the surcharge becomes effective.

Order 2021-132 at 4-5.

Pursuant to Order 2021-132’s established procedure, on May 17, 2021, DIUC filed its Submission in Support of Request for Reparations. The Submission explained, “In addition to this submission and its exhibits, DIUC relies on and incorporates herein the record of proceedings and filings to date in Docket 2014-346-WS as well as those in South Carolina Supreme Court Appellate Case 2016-000652 and Case 2018-001107.” *Id.* DIUC’s Submission included two exhibits: *Exhibit A* -- an affidavit explaining DIUC’s reasons for the requested relief

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and supporting its calculation of the proposed implementation, and *Exhibit B* -- a schedule to show the Commission the amounts at issue and how the DIUC proposes the requested relief be implemented.

On May 27, 2021, ORS filed a Motion to Strike the Affidavit of John F. Guastella from DIUC's Submission in Support of Request for Reparations. DIUC responded to the Motion to Strike explaining that DIUC did not intend the Settlement Agreement to preclude it from including written submissions like the Affidavit. *See DIUC's Opposition to Motion to Strike* at 4-6. Via Directive entered July 14, 2021, the Commission granted the Motion to Strike as to Paragraphs 11 through 17 of the Affidavit.

On July 22, 2021, and July 23, 2021, respectively, counsel for the Intervenor and counsel for the ORS wrote the Office of the Clerk indicating they are willing to submit proposed orders and/or to appear for oral argument on the issues addressed by the DIUC Submission.

DIUC is likewise willing to submit a proposed order and to appear for any hearing(s) the Commission might deem necessary to decide the issues of reparations and restitution presented by DIUC's Submission in Support of Request for Reparations. DIUC is also prepared to present Mr. Guastella for live testimony on the subjects presented in his Affidavit submitted May 17, 2021, with the DIUC Submission in Support of Request for Reparations.

Sincerely,

/s/

Thomas P. Gressette, Jr.

cc: David Butler, Esq. (David.Butler@psc.sc.gov)
Andrew M. Bateman, Esq. (abateman@regstaff.sc.gov)
Jeff Nelson, Esq. (jnelson@regstaff.sc.gov)
John J. Pringle, Jr., Esq. (jack.pringle@arlaw.com)